

Testimony on House Bill 2659
to
The House Agriculture and Natural Resources Committee
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Good afternoon, Chairman Powell, and members of the committee. I am Constantine Cotsoradis, deputy secretary of agriculture, and I am here in opposition to House Bill 2659

As most of the committee knows, in January the Kansas Department of Agriculture had to temporarily suspend all lodging inspections due to budget cuts. The lodging program is funded entirely through state general fund dollars, and when we received our November allotment, we were forced to lay off all lodging inspectors. Since then, we have conversed with different stakeholders to try to find a way to have a dedicated revenue source to fund these inspections.

From our discussions with the House budget subcommittee, our sense of this bill was that it was to fund a complaint-based program. However, we are not confident this bill does what the subcommittee intended. It also does not provide the funding needed to conduct a complaint-based inspection program.

Under this bill, lodging establishments would no longer be required to pay for and obtain an annual license. This is accomplished by repealing the requirement that any person engaged in a lodging business have a valid license issued by the secretary of agriculture. The bill would change the current requirement that lodging establishments be inspected before being issued their initial license. The lodging establishment would only be subject to an inspection when the Kansas Department of Agriculture received a complaint that the establishment does not comply with rules and regulations promulgated by the department.

Again, while it states that we would investigate a complaint, it does not provide funding for the activity nor does it provide staffing. To correct this, the bill would have to retain the licensing requirement, including the fee, which would have to be deposited in a lodging fee fund for the agency to use to operate the program. However, that change alone is not enough to fund a complaint-based inspection program.

Another area that should be reconsidered is the section requiring that an establishment with violations be closed. As written, the bill limits our ability to work with a facility that has violations because it requires a lodging establishment to close if they are out of compliance with any of the regulations at reinspection. If closing the facility is the only remedy, we have less flexibility to work with a facility to achieve compliance. Also, it would require us to go through the courts to seek some type of injunction since the facility would not have a license to revoke, which is our normal means to close a noncompliant business.

We believe a better alternative to HB 2659 is a bill the Senate Ways and Means committee introduced today. It establishes in statute a lodging fee fund separate from the state general fund. It also increases license and application fees to create the necessary funding to hire two additional inspectors to conduct complaint and licensing inspections, as well as a limited number of routine inspections. The \$150,000 in revenue that would be generated under the proposed Senate bill is significantly less than the \$250,000 that was appropriated for the program prior to the 2010 budget cuts. However, it will provide for a lodging program that will meet the needs of the lodging industry, tourism and consumers, and it will do it at a lower cost than the program we suspended.

We believe the alternative to HB 2659 will result in a program that instills confidence in Kansas residents and visitors that our hotels are being inspected and are operating under the required sanitation standards.